



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Review and Discuss Proposed 2003-05 Financial Plan and Budget

MEETING DATE: June 4, 2003

PREPARED BY: Deputy City Manager and Finance Director

RECOMMENDED ACTION

That the City Council members continue discussion regarding the proposed 2003-05 Financial Plan and Budget in anticipation of adopting the Budget on June 18, 2003.

BACKGROUND INFORMATION:

The proposed 2003-05 Financial Plan and Budget was released to the City Council members during the May 7, 2003 Council meeting. The City Manager and Finance Director provided the Council with an overview of the proposed Budget, and then subsequently held working sessions with the individual Council Members to review in more detail the components of the budget.

During the meetings, individual Council Members expressed various concerns regarding different aspects of the proposed Budget, and the City Manager would thus like to continue those discussions with all Council Members during the June 4, 2003 City Council meeting. Council Members will be invited to identify elements of the proposed Budget with which they wish to discuss in more detail, and will be encouraged to reach consensus on the approach to ensure that the Budget is adopted on June 18, 2003.

In addition, the City Manager will review with Council an 18-year trend analysis of operating expenditures (General fund and Enterprise Funds), spreadsheet of Community Promotions Support over a 10-year period, a summary list of City accomplishments, the "Scenario 5" spreadsheet, and Revenue and Expenditure pie charts for All Funds Combined.

FUNDING Not applicable.

Respectfully,

Handwritten signature of Vicky McAthie.

Vicky McAthie
Finance Director

Handwritten signature of Janet S. Keeter.

Janet S. Keeter
Deputy City Manager

Attachments

APPROVED: _____

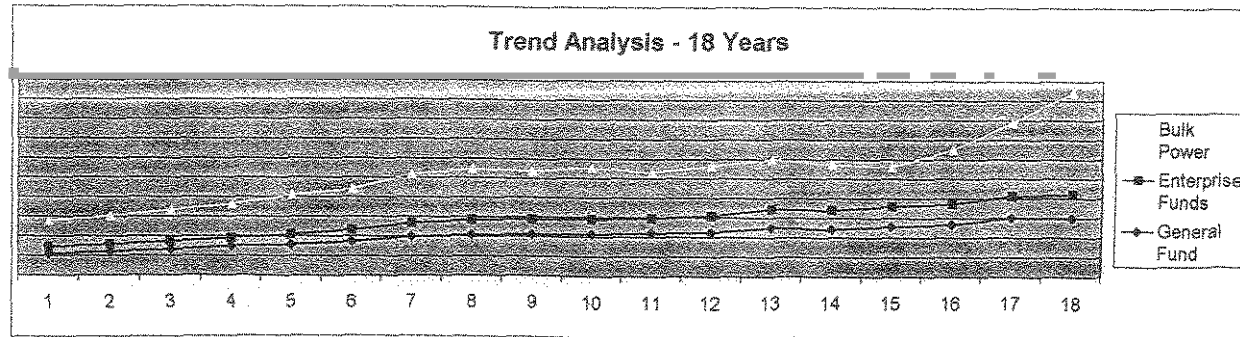
Handwritten signature of M. Dixon Elyon.

M. Dixon Elyon -- City Manager

Trend Analysis of Departmental Operating Expenditures

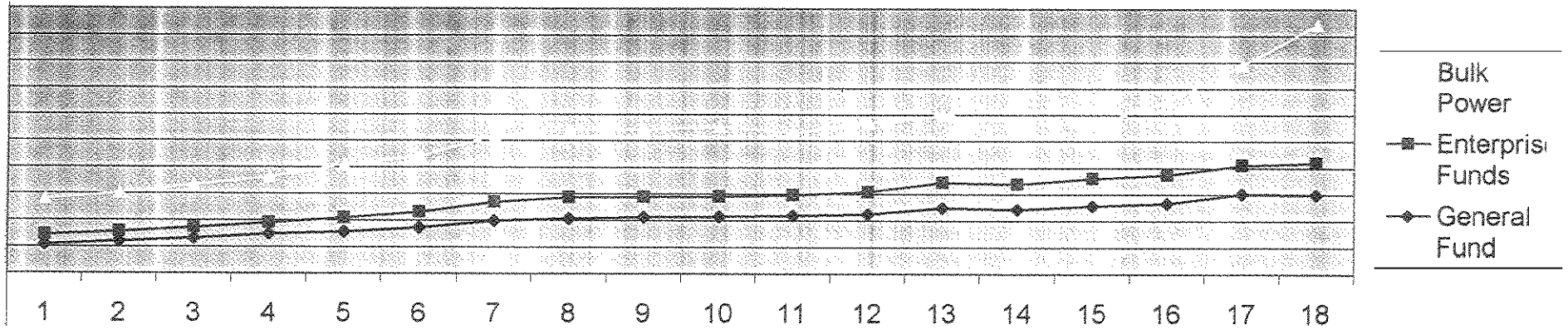
Department	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	
City Attorney	88,522	105,071	112,420	115,011	114,211	121,377	121,727	153,068	168,553	173,529	225,903	241,210	253,945	278,417	261,452	235,843	285,098	280,207	
City Clerk & Election	108,206	136,531	105,484	183,271	129,418	137,881	166,759	178,928	151,790	155,769	136,009	150,175	167,559	222,868	230,706	222,703	238,431	220,737	
City Council	30,031	35,731	39,855	45,670	55,601	54,190	88,082	72,910	66,343	70,407	71,436	81,810	96,017	114,946	119,814	102,528	99,274	72,654	
Camp Hutchins																			
Community Center	37,835	117,173	138,843	163,689	182,611	268,809	437,973	460,419	482,175	498,810	519,822	679,392	821,817	760,276	730,351	877,298	1,068,453	1,222,402	
Community Development	415,330	468,900	568,464	624,506	570,526	680,789	658,254	745,509	723,105	726,772	769,816	746,426	910,651	942,999	989,482	1,195,165	1,342,348	1,266,255	
City Manager	199,276	215,395	263,316	274,473	300,924	305,508	330,430	340,337	260,055	261,458	264,305	292,067	433,050	395,249	333,074	353,802	405,954	400,613	
Economic Development									67,458	103,275	231,462	110,601	167,710	242,728	338,097	361,900	488,435	359,891	
Finance Department	880,937	968,113	1,107,332	1,221,023	1,335,309	1,505,843	1,841,703	2,000,293	2,043,867	1,911,965	1,995,632	2,007,074	2,132,276	2,085,974	1,781,345	1,970,526	2,090,954	1,959,348	
Fire Department	2,000,460	2,151,696	2,343,273	2,496,915	2,573,817	2,758,963	3,048,526	3,157,300	3,282,049	3,416,484	3,477,124	3,506,606	3,542,907	3,302,919	3,474,575	3,637,056	4,149,430	4,578,623	
Human Resources	93,565	108,470	117,365	169,714	164,837	207,903	199,748	218,101	224,890	214,909	233,457	300,628	320,626	267,119	282,497	347,345	449,354	394,984	
Risk Management							31,423	53,626	170,425	174,323	67,652	50,826	63,151	82,347	93,278	61,276	63,845	117,242	
Information Systems											64,399	61,792	68,993	168,470	582,648	684,125	683,956	792,479	
Library	541,259	640,080	634,232	654,541	726,785	788,167	903,989	915,856	852,130	881,274	956,122	953,887	1,012,110	965,609	1,029,667	1,039,972	1,183,448	1,157,660	
Parks & Recreation	1,342,689	1,339,034	1,475,593	1,695,378	1,985,509	2,127,973	2,482,007	2,537,873	2,351,006	2,307,357	2,299,190	2,197,619	2,312,387	2,172,999	2,384,588	2,669,877	2,802,185	2,860,430	
Police Department	2,952,513	3,364,029	3,864,083	4,437,600	4,847,827	5,313,520	6,132,285	6,583,308	6,589,499	6,523,074	6,797,384	6,635,849	7,419,485	7,438,977	7,621,971	7,716,454	8,654,602	8,515,725	
Public Works Department	2,074,120	2,376,134	2,394,314	2,705,925	2,657,546	2,909,465	3,441,223	3,298,802	3,685,331	3,908,239	3,628,455	4,327,339	4,976,689	4,579,361	5,384,564	5,270,699	6,171,932	5,644,461	
General Fund	10,764,743	12,026,357	13,164,574	14,787,716	15,644,921	17,180,388	19,884,129	20,716,330	21,190,156	21,419,756	21,855,908	22,475,614	24,856,153	24,214,386	25,638,109	26,746,569	30,177,699	29,843,711	
		12%	9%	12%	6%	10%	16%	4%	2%	1%	2%	3%	11%	-3%	6%	4%	13%	-1%	
	7 years from 1984-85 through 1990-91								11 years from 1991-92 through 2001-02										
	average increase yearly + 10%								average increase yearly + 4%										
Electric Utility (less bulk purchase,)	1,151,702	1,042,400	1,785,981	2,025,714	2,418,008	2,886,075	3,174,774	3,563,349	3,224,599	3,006,655	3,922,820	3,800,997	4,588,086	4,727,633	5,333,560	4,920,616	4,914,885	4,977,260	
Sewer less debt service, in lieu	1,295,784	1,284,571	1,473,058	1,444,923	1,835,185	2,054,528	2,504,267	2,926,195	2,462,508	2,584,754	1,751,428	2,017,358	2,049,839	2,051,815	2,004,193	2,344,882	2,478,668	2,837,859	
Water (less d/s, in lieu)	598,766	699,631	780,989	809,553	879,882	1,019,516	1,276,405	1,402,233	1,558,159	1,500,945	1,448,774	1,823,300	1,918,312	1,724,411	1,822,530	1,654,440	1,905,780	1,893,524	
Transit										374,045	459,258	651,053	747,945	1,048,308	1,100,637	1,228,293	1,710,313	2,306,664	
Enterprise Funds	3,626,312	3,606,602	4,038,028	4,278,450	5,133,075	5,960,119	6,955,446	7,891,777	7,619,311	7,551,612	7,774,075	8,389,600	9,604,545	9,604,496	10,388,376	10,630,251	10,869,656	12,015,307	
Grand Total Operating	14,391,055	15,632,959	17,202,602	19,066,166	20,777,996	23,140,507	26,839,575	28,608,107	28,809,467	28,971,368	29,629,983	30,865,214	34,460,698	33,818,882	36,026,685	37,376,820	41,847,355	41,859,018	
Bulk Purchase	13,681,605	14,629,300	16,236,238	17,369,427	20,337,450	21,176,189	25,083,629	25,777,727	25,216,386	26,559,666	23,533,461	25,814,822	25,485,814	23,569,234	20,356,542	27,722,087	37,997,620	52,375,146	

Trend Analysis - 18 Years



Expenditure Trend Report of 6/30

Trend Analysis - 18 Years



Community Promotion Support

Grantee	Function	Contributions		% change
		92-93	2001-02	
Arts Commission	grants	\$ 35,000	\$ 75,000	114%
Downtown Lodi Business Partnership*	staffing, marketing, events, banners, lights	\$ 2,700	\$ 62,000	2196%
2 year commitment as seed money, City to contribute funds as match to member contributions				
Lodi Conference & Visitors Center(LWWC)	staffing, marketing		\$ 130,000	
2 year commitment as seed money				
Lodi District Chamber of Commerce	marketing	\$ 20,000	\$ 25,000	25%
Lodi-Tokay Rotary (Oooh AHH)	fireworks		\$ 15,000	
Lodi-Tokay Rotary(Kids Night)	fireworks, children's rides		\$ 15,000	
San Joaquin Partnership	business attraction	\$ 15,000	\$ 30,000	100%
Viacom Outdoor Signs	highway advertising	\$ 21,384	\$ 28,320	32%
City Staffing	Community Promotions Coordinator		\$ 80,000	
Total		\$ 94,084	\$ 460,320	389%

*years 1992 - 1997 contributions to Lodi Downtown Business Association

Other				
ISD		\$ 396,000	\$ 192,000	100%
Human Resources		\$ 276,052	\$ 424,175	54%
Risk Management		\$ 75,195	\$ 88,053	17%
Code Enforcement		\$ -	\$ 286,000	

Recent Accomplishments

- Developed a Long-term Financial Plan (10 year projections)
- Hired: Fire Chief, Police Chief, Parks & Rec Director, PW Director, IS Director
- Expanded Operations
 - First all-CNG bus fleet in Northern California
 - Expanded Afterschool programs
 - Implemented Art in Public Places Program
 - Economic Development
 - Developed 298 acres of land
 - Constructed 4.25 million square feet of buildings
 - Created 1667 new jobs
 - Implemented Code Enforcement Division
 - Community Promotion
 - Parade of Lights
 - Celebration on Central
 - Kid's Night Out
 - Initiated the Redevelopment Agency and the Greenbelt discussions
 - Increased Community Partnership Support
 - DLBP
 - Chamber
 - Visitors Bureau
 - San Joaquin Partnership
- Capital Projects
 - Downtown Revitalization
 - Cherokee Lane Beautification
 - City Hall Remodel
 - Community Center – Hutchins Street Square Improvements – Performing Arts Center
 - Restored Arch Bear

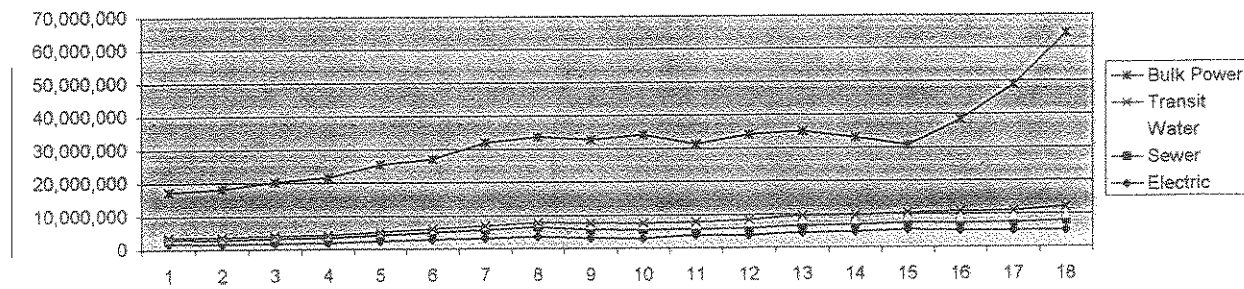
- Major Street improvements
 - Lower Sacramento Road
 - Stockton Street
 - Kettleman Lane
- Additional Fire Station No.4
- New Police Building under construction
- Multi-Modal Station
- New Parking Structure
- Construction of CNG Fueling Station
- Street Light Improvements on East Side
- Sewer Improvements on East Side
- Civic Plaza Veterans' Monument
- Parks
 - Katzakian Park construction
 - Peterson Park construction
 - Outdoor Skate Park
 - Lodi Lake Improvements

General Fund	Scenario 5		2003-04	2004-05
	Current	Recommended	Totals	Totals
Consistent Items				
Anticipated Savings				
Hire lag - future (10 year 1; 15 year 2)		500,000		750,000
Hire lag - current (10)		500,000		500,000
Golden Hand shake		200,000		400,000
			1,200,000	1,650,000
Revenues				
Police Department		175,000		
Animal Shelter fees				
DUI increased fees				
Boot/tow parking offenders				
Parking Citation fee increase				
Finance Department		265,000		
Return Check charge increase				
Increase in late fees on utilities				
Admin fee for business licenses				
Utility reconnect fee increase				
Community Development		390,000		
Building permit fee increase				
Roofing permit fees				
Energy Plan Check				
ADA Plan Check				
Public Works		52,000		
Spec Event Traffic control services				
Plan check & processing fees for development projects				
Cal Trans maint agreement - Hwy 12				
Parks & Recreation				
Spec Event fee - Park Maintenance		35,000		
BOBS reimbursements				
Change in Policy for Cost recovery P & R from 30% to 35%		70,929		
Change in Policy for Cost recovery HSS from 30% to 40%		145,308	1,133,237	1,133,237
Carry over			900,000	500,000
Value of E step to actual			200,000	200,000
Voluntary Leave without pay			50,000	
Subtotal consistent items			3,283,237	3,483,237
Variable Items				
Program Reductions				
Council			7,200	7,200
Admin			1,400	1,400
Public Works			22,000	22,000
Pay Raises				
Project pay raises			(953,236)	(981,833)
Employee share of medical			200,000	200,000
Additions to Expenditures				
Three firefighters in year one and One in year two			(243,435)	(324,435)
Subtotal Variable Items			(966,071)	(1,075,668)
Grand total			2,317,166	2,407,569

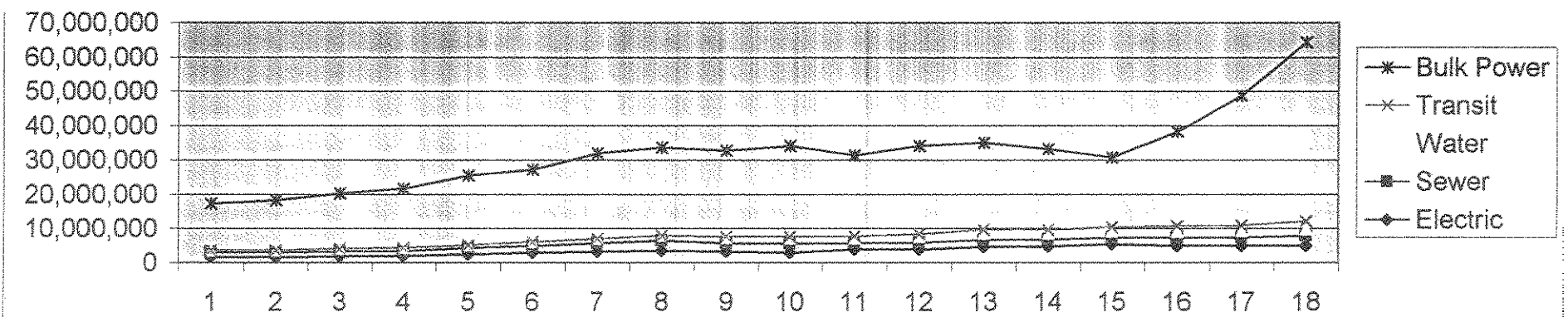
Departmental Operating Expenditures - Enterprise Funds

Department	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
Electric Utility(less bulk purchase,)	1,731,762	1,622,400 -6%	1,783,981 10%	2,023,974 13%	2,418,008 19%	2,886,075 19%	3,174,774 10%	3,563,349 12%	3,224,599 -10%	3,006,655 -7%	3,922,820 30%	3,800,997 -3%	4,588,086 21%	4,727,633 3%	5,333,560 13%	4,920,616 -8%	4,914,885 0%	4,977,260 1%
Sewer less debt service, in lieu	1,295,784	1,284,571 -1%	1,473,058 15%	1,444,923 -2%	1,835,185 27%	2,054,528 12%	2,504,267 22%	2,926,195 17%	2,462,508 -16%	2,584,754 5%	1,751,428 -32%	2,017,358 15%	2,049,839 2%	2,051,815 0%	2,004,193 -2%	2,344,882 17%	2,478,668 6%	2,837,859 14%
Water (less d/a, in lieu)	598,766	699,631 17%	780,989 12%	809,553 4%	879,882 9%	1,019,516 16%	1,276,405 25%	1,402,233 10%	1,558,159 11%	1,500,945 -4%	1,448,774 -3%	1,823,300 26%	1,918,312 5%	1,724,411 -10%	1,822,530 6%	1,654,440 -9%	1,905,780 15%	1,893,524 -1%
Transit									374,045	459,258 23%	651,053 42%	747,945 15%	1,048,308 40%	1,100,637 5%	1,228,293 12%	1,710,313 39%	1,570,323 -8%	2,306,664 47%
Bulk Purchase	13,681,605	14,629,300	16,236,238	17,369,427	20,337,450	21,176,189	25,083,629	25,777,727	25,216,386	26,559,666	23,533,461	25,814,822	25,485,814	23,569,234	20,356,542	27,722,087	37,997,620	52,375,146

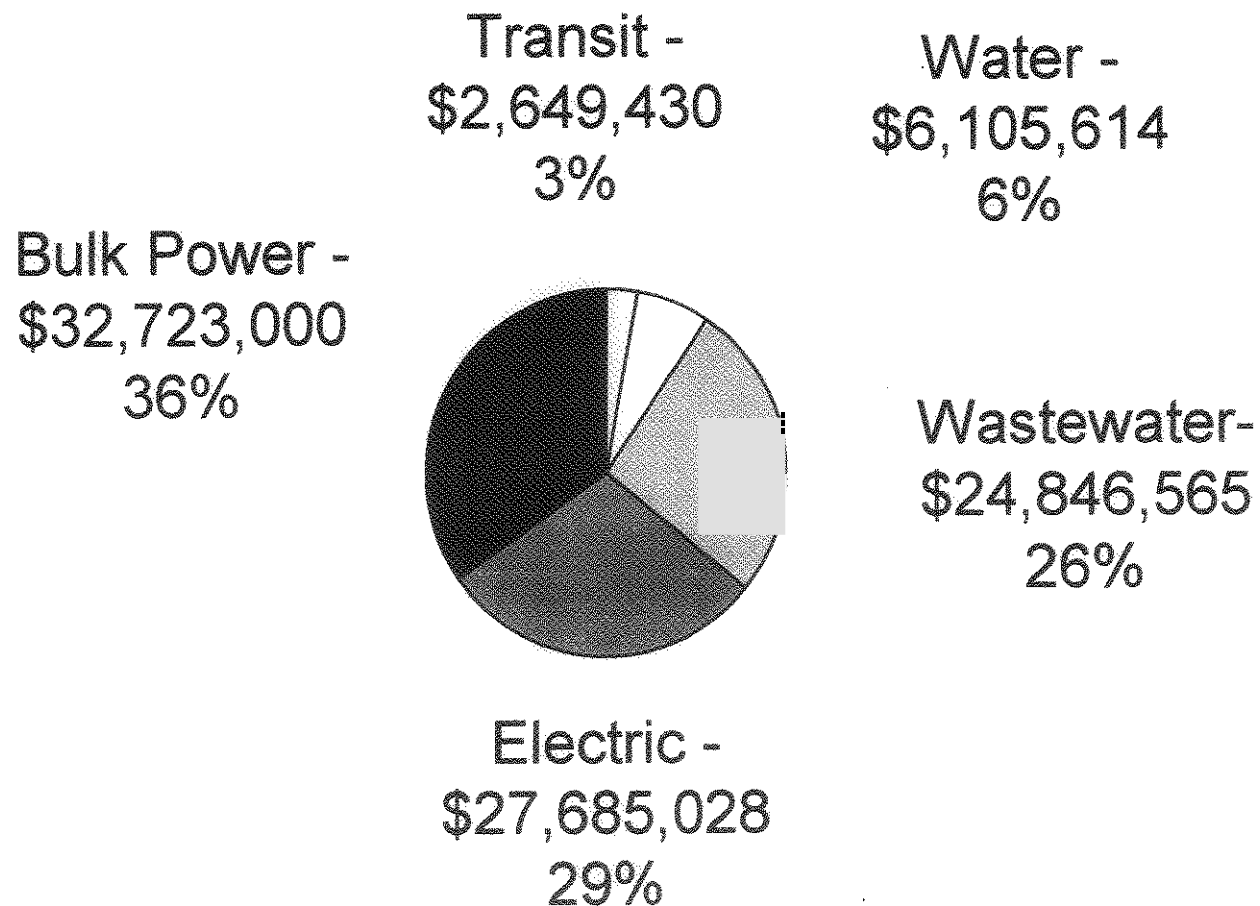
Source: Expenditure Report at 6/30



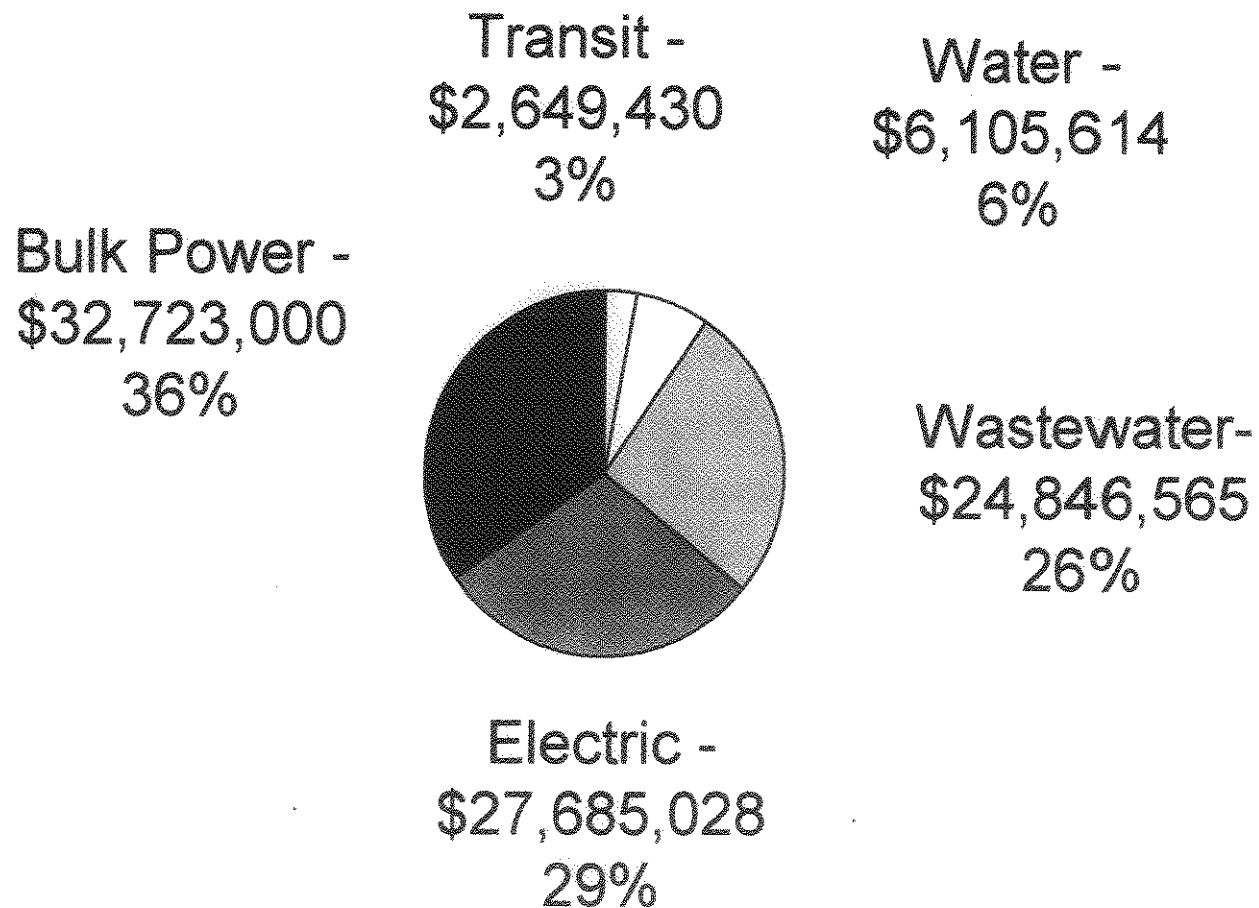
Enterprise Funds 18 Year Analysis



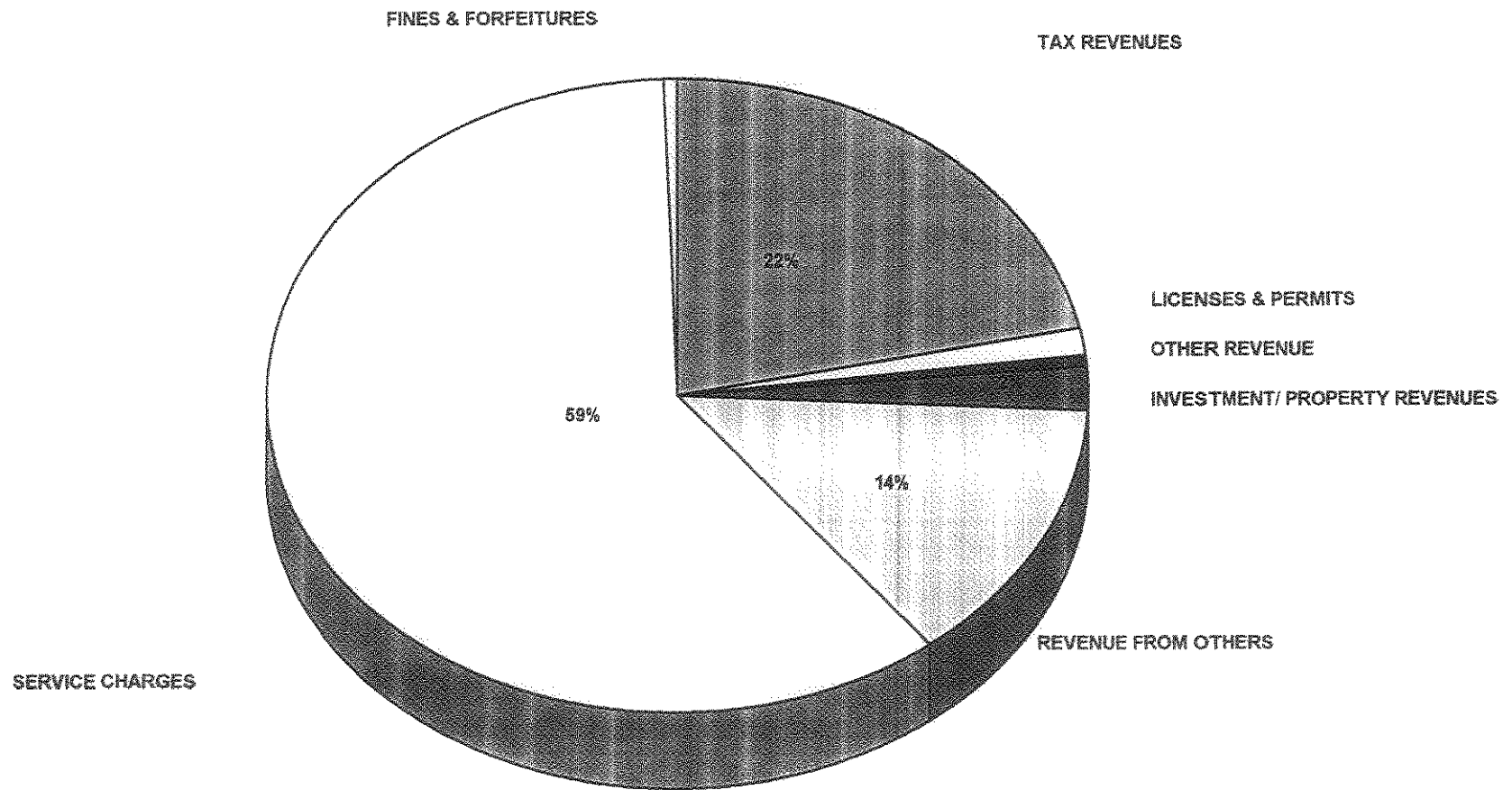
Enterprise Fund Expenditures



Enterprise Fund Expenditures



2003-04
All Funds Combined



2003-04
All Funds Combined Expenditures

